

Senate File 94

S-3002

1 Amend the amendment, S-3001, to Senate File 94, as follows:

2 1. By striking page 1, line 1, through page 12, line 20, and
3 inserting:

4 <Amend Senate File 94, as follows:

5 _____. By striking everything after the enacting clause and
6 inserting:

7 <DIVISION I

8 SHORT TITLE

9 Section 1. SHORT TITLE. This Act shall be known and may be
10 cited as the "Students First Act".

11 DIVISION II

12 EDUCATION SAVINGS ACCOUNT PROGRAM

13 Sec. 2. Section 256.9, Code 2023, is amended by adding the
14 following new subsection:

15 NEW SUBSECTION. 66. Adopt rules relating to the
16 administration of, and applications for, the education savings
17 account program pursuant to section 257.11B, including but not
18 limited to application processing timelines and information
19 required to be submitted by a parent or guardian.

20 Sec. 3. Section 257.10, subsection 9, paragraph c,
21 subparagraph (1), Code 2023, is amended to read as follows:

22 (1) The unadjusted teacher salary supplement district cost
23 is the teacher salary supplement district cost per pupil for
24 each school district for a budget year multiplied by the sum
25 of the budget enrollment for that school district plus the
26 number of resident pupils in the school district that received
27 an education savings account payment under section 257.11B for
28 the base year.

29 Sec. 4. Section 257.10, subsection 10, paragraph c,
30 subparagraph (1), Code 2023, is amended to read as follows:

31 (1) The unadjusted professional development supplement
32 district cost is the professional development supplement
33 district cost per pupil for each school district for a budget
34 year multiplied by the sum of the budget enrollment for that
35 school district plus the number of resident pupils in the

1 school district that received an education savings account
2 payment under section 257.11B for the base year.

3 Sec. 5. Section 257.10, subsection 11, paragraph c,
4 subparagraph (1), Code 2023, is amended to read as follows:

5 (1) The unadjusted early intervention supplement district
6 cost is the early intervention supplement district cost per
7 pupil for each school district for a budget year multiplied
8 by the sum of the budget enrollment for that school district
9 plus the number of resident pupils in the school district that
10 received an education savings account payment under section
11 257.11B for the base year.

12 Sec. 6. Section 257.10, subsection 12, paragraph c,
13 subparagraph (1), Code 2023, is amended to read as follows:

14 (1) The unadjusted teacher leadership supplement district
15 cost is the teacher leadership supplement district cost per
16 pupil for each school district for a budget year multiplied
17 by the sum of the budget enrollment for that school district
18 plus the number of resident pupils in the school district that
19 received an education savings account payment under section
20 257.11B for the base year.

21 Sec. 7. **NEW SECTION. 257.11B Education savings account**
22 **program.**

23 1. For purposes of this section:

24 a. *“Nonpublic school”* means the same as defined in section
25 285.16.

26 b. (1) *“Qualified educational expenses”* includes tuition
27 and fees at a nonpublic school, textbooks, fees or payments for
28 educational therapies, including tutoring or cognitive skills
29 training, curriculum fees, software, and materials for a course
30 of study for a specific subject matter or grade level, tuition
31 or fees for nonpublic online education programs, tuition for
32 vocational and life skills education approved by the department
33 of education, education materials and services for pupils with
34 disabilities from an accredited provider, including the cost of
35 paraprofessionals and assistants who are trained in accordance

1 with state law, standardized test fees, and advanced placement
2 examinations or examinations related to postsecondary education
3 admission or credentialing.

4 (2) "*Qualified educational expenses*" shall be limited to
5 the items described in subparagraph (1) and rules adopted
6 by the department to implement this section and does not
7 include transportation costs for the pupil, the cost of food
8 or refreshments consumed by the pupil, the cost of clothing
9 for the pupil, or the cost of disposable materials, including
10 but not limited to paper, notebooks, pencils, pens, and art
11 supplies.

12 c. "*Resident*" means the same as defined in section 282.1,
13 subsection 2.

14 2. a. (1) For the school budget year beginning July
15 1, 2023, the following pupils who attend a nonpublic school
16 for that school budget year shall be eligible to receive an
17 education savings account payment:

18 (a) A resident pupil who is eligible to enroll in
19 kindergarten.

20 (b) A resident pupil who is eligible to enroll in grades one
21 through twelve and was not enrolled in a nonpublic school for
22 the school year immediately preceding the school year for which
23 the education savings account payment is requested.

24 (c) A resident pupil who is eligible to enroll in grades
25 one through twelve and was enrolled in a nonpublic school year
26 immediately preceding the school year for which the education
27 savings account payment is requested if the pupil's household
28 has an annual income less than or equal to three hundred
29 percent of the most recently revised poverty income guidelines
30 published by the United States department of health and human
31 services.

32 (2) For the school budget year beginning July 1, 2024, the
33 following pupils who attend a nonpublic school for that school
34 budget year shall be eligible to receive an education savings
35 account payment:

1 (a) A resident pupil who is eligible to enroll in
2 kindergarten.

3 (b) A resident pupil who is eligible to enroll in grades one
4 through twelve and was not enrolled in a nonpublic school for
5 the school year immediately preceding the school year for which
6 the education savings account payment is requested.

7 (c) A resident pupil who is eligible to enroll in grades one
8 through twelve and was enrolled in a nonpublic school for the
9 school year immediately preceding the school year for which the
10 education savings account payment is requested if the pupil's
11 household has an annual income less than or equal to four
12 hundred percent of the most recently revised poverty income
13 guidelines published by the United States department of health
14 and human services.

15 (d) A resident pupil who received an education savings
16 account payment in the immediately preceding school budget
17 year.

18 (3) For school budget years beginning on or after July
19 1, 2025, resident pupils eligible to enroll in kindergarten
20 through grade twelve who attend a nonpublic school for the
21 applicable school budget year shall be eligible to receive an
22 education savings account payment.

23 *b.* Education savings account payments shall be made
24 available to parents and guardians in the manner authorized
25 under subsection 5 for the payment of qualified educational
26 expenses as provided in this section. Parents and guardians
27 shall first use education savings account payments for all
28 qualified educational expenses that are tuition and fees for
29 which the parent or guardian is responsible for payment at the
30 pupil's nonpublic school prior to using the education savings
31 account for other qualified educational expenses.

32 3. *a.* On or after January 1, but on or before June 30,
33 preceding the school year for which the education savings
34 account payment is requested, the parent or guardian of an
35 eligible pupil may request an education savings account payment

1 by submitting an application to the department of education.

2 *b.* Within thirty days following submission of an
3 application, the department of education or third-party entity
4 shall notify the parent or guardian of each pupil approved
5 for the following school year and specify the amount of the
6 education savings account payment for the pupil, if known at
7 the time of the notice. As soon as practical following the
8 processing of all applications, the department of education or
9 third-party entity shall determine the number of pupils in each
10 school district approved for the school budget year and provide
11 such information to the department of management.

12 *c.* Education savings account payments shall only be approved
13 for one school year and applications must be submitted annually
14 for payments in subsequent school years.

15 4. Each education savings account payment shall be equal to
16 the regular program state cost per pupil for the same school
17 budget year.

18 5. An education savings account fund is created in
19 the state treasury under the control of the department of
20 education consisting of moneys appropriated to the department
21 of education for the purpose of providing education savings
22 account payments under this section. For the fiscal year
23 commencing July 1, 2023, and each succeeding fiscal year,
24 there is appropriated from the general fund of the state
25 to the department of education to be credited to the fund
26 the amount necessary to pay all education savings account
27 payments approved for that fiscal year. The director of the
28 department of education has all powers necessary to carry out
29 and effectuate the purposes, objectives, and provisions of this
30 section pertaining to the fund, including the power to do all
31 of the following:

32 *a.* Make and enter into contracts with a third-party entity
33 necessary for the administration of the program.

34 *b.* Procure insurance against any loss in connection with the
35 assets of the fund or require a surety bond.

1 *c.* Contract with a qualified firm, including but not limited
2 to the third-party entity under paragraph "a", to allocate
3 funds from each pupil's account for the payment of qualified
4 educational expenses by the pupil's parent or guardian.

5 *d.* Require the qualified firm under paragraph "c" to
6 offer the department of education the capability of automated
7 clearinghouse transactions, electronic commerce transactions,
8 reimbursement transactions, and debit card payments in order to
9 meet the diverse needs of participating parents and guardians
10 to pay for qualified educational expenses. The director of
11 the department of education shall determine which transaction
12 capabilities will be available to participating parents and
13 guardians.

14 *e.* Reduce the possibility of waste, fraud, and abuse,
15 and ensure that any technology platform used for the program
16 meets the state's highest security requirements, including
17 compliance.

18 *f.* Conduct audits or other reviews necessary to properly
19 administer the program.

20 *g.* Adopt rules for the administration of the fund and
21 accounts within the fund.

22 6. *a.* For each pupil approved for an education savings
23 account payment, the department of education or third-party
24 entity shall establish an individual account for that pupil
25 in the education savings account fund. The amount of the
26 pupil's education savings account payment shall be deposited
27 into the pupil's individual account on July 15 or thirty days
28 following submission of the application, whichever is later,
29 and such amount shall be immediately available for the payment
30 of qualified educational expenses incurred by the parent or
31 guardian for the pupil during that fiscal year using a payment
32 method authorized under subsection 5.

33 *b.* A nonpublic school or other provider of qualified
34 educational expenses that accepts payment from a parent or
35 guardian using funds from a pupil's individual account in the

1 fund shall not refund, rebate, or share any portion of such
2 payment with the parent, guardian, or pupil.

3 *c.* Moneys remaining in a pupil's individual account
4 upon conclusion of the fiscal year shall remain in the
5 pupil's individual account for the payment of qualified
6 educational expenses in future fiscal years during which the
7 pupil participates in the program until the pupil becomes
8 ineligible under the program or until the remaining amounts are
9 transferred to the state general fund under subsection 8.

10 7. A person who makes a false claim for the purpose of
11 obtaining an education savings account payment or who knowingly
12 receives the payment or makes a payment from an individual
13 account within the fund without being legally entitled to do
14 so is guilty of a fraudulent practice under chapter 714. The
15 false claim for an education savings account or a payment from
16 an individual account shall be disallowed. The department of
17 education or third-party entity shall also close the pupil's
18 individual account in the fund and transfer any remaining
19 moneys in the account for deposit in the general fund of the
20 state. If the improperly obtained amounts have been disbursed
21 from the applicable individual account, the department of
22 education or third-party entity shall recover such amounts
23 from the parent or guardian, including by initiating legal
24 proceedings to recover such amounts, if necessary. A parent or
25 guardian who commits a fraudulent practice under this section
26 is prohibited from participating in the education savings
27 account program in the future.

28 8. Moneys remaining in a pupil's individual account when the
29 pupil graduates from high school or turns twenty years of age,
30 whichever occurs first, shall be transferred by the department
31 of education for deposit in the general fund of the state.

32 9. *a.* A parent may appeal to the state board of education
33 any administrative decision the department of education or
34 third-party entity makes pursuant to this section, including
35 but not limited to determinations of eligibility, allowable

1 expenses, and removal from the program. The department or
2 third-party entity shall notify the parent or guardian in
3 writing of the appeal process at the same time the department
4 notifies the parent or guardian of the administrative decision.
5 The state board of education shall establish the appeals
6 process consistent with chapter 17A and shall post such appeal
7 process information on the state board of education's internet
8 site.

9 *b.* The state board of education shall refer cases of
10 substantial misuse of education savings account program funds
11 to the attorney general for the purpose of collection or for
12 the purpose of a criminal investigation if the state board of
13 education obtains evidence of fraudulent use of an account.

14 10. *a.* This section shall not be construed to authorize
15 the state or any political subdivision of the state to exercise
16 authority over any nonpublic school or construed to require a
17 nonpublic school to modify its academic standards for admission
18 or educational program in order to receive payment from a
19 parent or guardian using funds from a pupil's account in the
20 education savings account fund.

21 *b.* This section shall not be construed to expand the
22 authority of the state or any political subdivision of the
23 state to impose regulations upon any nonpublic school that are
24 not necessary to implement this section.

25 *c.* A nonpublic school that accepts payment from a parent or
26 guardian using funds from a pupil's account in the education
27 savings account fund is not an agent of this state or of a
28 political subdivision of this state.

29 *d.* Rules adopted by the department of education to implement
30 this section that impose an undue burden on a nonpublic school
31 are invalid.

32 *e.* A nonpublic school that accepts payment from a parent or
33 guardian using funds from a pupil's account in the education
34 savings account fund shall be given the maximum freedom
35 possible to provide for the educational needs of the school's

1 students, consistent with state and federal law.

2 11. a. Each pupil participating in the education savings
3 account program is required to take all applicable state and
4 federally required student assessments and the results of
5 those assessments shall be provided to the pupil's parents or
6 guardians and reported to the department of education.

7 b. The department of education shall compile all such
8 reported assessment results in order to analyze student
9 proficiency and academic progress among those pupils
10 participating in the program, including analysis of graduation
11 rates, proficiency, and progress based on grade level,
12 gender, race, and household income level. The results of the
13 department's analysis shall be included in the annual condition
14 of education report.

15 Sec. 8. Section 422.7, Code 2023, is amended by adding the
16 following new subsection:

17 NEW SUBSECTION. 44. Subtract, to the extent included, the
18 amount of an education savings account payment under section
19 257.11B received by the taxpayer for payment of qualified
20 educational expenses.

21 Sec. 9. EMERGENCY RULES. The department of education
22 may adopt emergency rules under section 17A.4, subsection 3,
23 and section 17A.5, subsection 2, paragraph "b", to implement
24 the provisions of the section of this Act enacting section
25 256.9, subsection 66, and section 257.11B, and the rules shall
26 be effective immediately upon filing unless a later date is
27 specified in the rules. Any rules adopted in accordance with
28 this section shall also be published as a notice of intended
29 action as provided in section 17A.4.

30 Sec. 10. EFFECTIVE DATE. This division of this Act, being
31 deemed of immediate importance, takes effect upon enactment.

32 Sec. 11. RETROACTIVE APPLICABILITY. The following applies
33 retroactively to tax years beginning on or after January 1,
34 2023:

35 The section of this division of this Act enacting section

1 422.7, subsection 44.

2 DIVISION III

3 SCHOOL DISTRICT CATEGORICAL FUNDING

4 Sec. 12. Section 257.10, subsection 9, paragraph d, Code
5 2023, is amended to read as follows:

6 ~~d. For the budget year beginning July 1, 2009, the use~~
7 ~~of the funds calculated under this subsection shall comply~~
8 ~~with the requirements of chapter 284 and shall be distributed~~
9 ~~to teachers pursuant to section 284.3A. For the budget year~~
10 ~~beginning July 1, 2010, and succeeding budget years, the use~~
11 ~~of the funds calculated under this subsection or available for~~
12 ~~use as provided in subsection 10, paragraph "d", subsection 12,~~
13 ~~paragraph "d", or section 257.46, subsection 3, shall comply~~
14 ~~with the requirements of chapter 284 and shall be distributed~~
15 ~~to teachers pursuant to section 284.3A and shall comply with~~
16 ~~the requirements of chapter 284 related to such distribution~~
17 ~~under section 284.3A.~~

18 Sec. 13. Section 257.10, subsection 10, paragraph d, Code
19 2023, is amended to read as follows:

20 d. The use of the funds calculated under this subsection
21 and any amount designated for professional development purposes
22 from the school district's flexibility account under section
23 298A.2, subsection 2, shall comply with the requirements of
24 chapter 284. If all professional development requirements of
25 chapter 284 are met and funds received under this subsection
26 remain unexpended and unobligated at the end of a fiscal year
27 beginning on or after July 1, 2017, the school district may
28 transfer all or a portion of such unexpended and unobligated
29 funds for deposit in the school district's flexibility account
30 established under section 298A.2, subsection 2. At the end
31 of a fiscal year beginning on or after July 1, 2022, the
32 school district may use all or a portion of funds under this
33 subsection for the purposes authorized under subsection 9,
34 paragraph "d".

35 Sec. 14. Section 257.10, subsection 12, paragraph d, Code

1 2023, is amended to read as follows:

2 *d.* ~~For~~ Except as otherwise allowed under this paragraph,
3 for the budget year beginning July 1, 2014, and succeeding
4 budget years, the use of the funds calculated under this
5 subsection shall comply with the requirements of chapter 284
6 and shall be distributed to teachers pursuant to section
7 284.15. The funds shall be used only to increase the payment
8 for a teacher assigned to a leadership role pursuant to a
9 framework or comparable system approved pursuant to section
10 284.15; to increase the percentages of teachers assigned to
11 leadership roles; to increase the minimum teacher starting
12 salary to thirty-three thousand five hundred dollars; to
13 cover the costs for the time mentor and lead teachers are not
14 providing instruction to students in a classroom; for coverage
15 of a classroom when an initial or career teacher is observing
16 or co-teaching with a teacher assigned to a leadership role;
17 for professional development time to learn best practices
18 associated with the career pathways leadership process; and for
19 other costs associated with a framework or comparable system
20 approved by the department of education under section 284.15
21 with the goals of improving instruction and elevating the
22 quality of teaching and student learning. If all requirements
23 for the school district for the use of funds calculated
24 under this subsection are met and funds received under this
25 subsection remain unexpended and unobligated at the end of a
26 fiscal year beginning on or after July 1, 2020, the school
27 district may transfer all or a portion of such unexpended
28 and unobligated funds for deposit in the school district's
29 flexibility account established under section 298A.2,
30 subsection 2. At the end of a fiscal year beginning on or after
31 July 1, 2022, school districts may use all or a portion of
32 funds under this subsection for the purposes authorized under
33 subsection 9, paragraph "d", and, notwithstanding any provision
34 of law to the contrary, school districts shall not be required
35 to participate in or comply with section 284.15 in order to

1 continue to receive funding under this subsection.

2 Sec. 15. Section 257.11, subsection 5, Code 2023, is amended
3 to read as follows:

4 5. *Shared operational functions — increased student*
5 *opportunities — budget years beginning in 2014 through 2024*
6 *2034.*

7 a. (1) In order to provide additional funding to increase
8 student opportunities and redirect more resources to student
9 programming for school districts that share operational
10 functions, a district that shares with a political subdivision
11 one or more operational functions of a curriculum director,
12 master social worker, independent social worker, work-based
13 learning coordinator, special education director, mental health
14 professional who holds a statement of recognition issued by the
15 board of educational examiners, college and career transition
16 counselor or coordinator, school resource officer, or school
17 counselor, or one or more operational functions in the areas
18 of superintendent management, business management, human
19 resources, transportation, or operation and maintenance for at
20 least twenty percent of the school year shall be assigned a
21 supplementary weighting for each shared operational function.
22 A school district that shares an operational function in
23 the area of superintendent management shall be assigned a
24 supplementary weighting of nine pupils for the function. A
25 school district that shares an operational function in the area
26 of business management, human resources, transportation, or
27 operation and maintenance shall be assigned a supplementary
28 weighting of five pupils for the function. A school district
29 that shares the operational functions of a curriculum director;
30 a master social worker or an independent social worker licensed
31 under [chapters 147](#) and [154C](#); a work-based learning coordinator;
32 a special education director; a mental health professional
33 who holds a statement of recognition issued by the board
34 of educational examiners; a college and career transition
35 counselor or coordinator; a school resource officer; or a

1 school counselor shall be assigned a supplementary weighting of
2 three pupils for the function. The additional weighting shall
3 be assigned for each discrete operational function shared.
4 However, a school district may receive the additional weighting
5 under *this subsection* for sharing the services of an individual
6 with a political subdivision or another school district even if
7 the type of operational function performed by the individual
8 for the school district and the type of operational function
9 performed by the individual for the political subdivision or
10 another school district are not the same operational function,
11 so long as either both operational functions are eligible for
12 weighting under *this subsection* or the operational function
13 the individual performs for the school district is special
14 education director. In either case, the school district
15 shall be assigned the additional weighting for the type of
16 operational function that the individual performs for the
17 school district, and the school district shall not receive
18 additional weighting for any other function performed by the
19 individual. The operational function sharing arrangement does
20 not need to be a newly implemented sharing arrangement to
21 receive supplementary weighting under *this subsection*.

22 (2) For the purposes of this paragraph "a":

23 (a) "*College and career transition counselor or coordinator*"
24 means a licensed school counselor or an appropriately trained
25 individual responsible for providing direct services to
26 students, parents, families, schools, and postsecondary
27 institutions to support college preparation and postsecondary
28 success, such as college preparation, financial aid processing,
29 and transition to postsecondary institution enrollment.

30 (b) "*Political subdivision*" means a city, township, county,
31 school corporation, merged area, area education agency,
32 institution governed by the state board of regents, or any
33 other governmental subdivision.

34 (c) "*School resource officer*" means the same as defined in
35 34 U.S.C. §10389.

1 (d) *“Work-based learning coordinator”* means an appropriately
2 trained individual responsible for facilitating authentic,
3 engaging work-based learning experiences for learners and
4 educators in partnership with employers and others to enhance
5 learning by connecting the content and skills that are
6 necessary for future careers.

7 b. (1) Notwithstanding paragraph *“a”*, subparagraph (1),
8 each operational function assigned a supplementary weighting
9 of five pupils under paragraph *“a”*, subparagraph (1), shall
10 instead be assigned a supplementary weighting of four pupils
11 for the school budget years beginning on or after July 1, 2022,
12 ~~July 1, 2023, and July 1, 2024~~ but before July 1, 2035.

13 (2) Notwithstanding paragraph *“a”*, subparagraph (1), each
14 operational function assigned a supplementary weighting of
15 three pupils under paragraph *“a”*, subparagraph (1), shall
16 instead be assigned a supplementary weighting of two pupils for
17 the school budget years beginning on or after July 1, 2022,
18 ~~July 1, 2023, and July 1, 2024~~ but before July 1, 2035.

19 c. School districts that share operational functions with
20 other school districts are not required to be contiguous school
21 districts. If two or more districts sharing operational
22 functions are not contiguous to each other, the districts
23 separating those districts are not required to be a party to
24 the operational functions sharing arrangement.

25 d. Supplementary weighting pursuant to [this subsection](#) shall
26 be available to a school district during the period commencing
27 with the budget year beginning July 1, 2014, through the
28 budget year beginning July 1, ~~2024~~ 2034. The maximum amount
29 of additional weighting for which a school district shall be
30 eligible in a budget year is twenty-one additional pupils.
31 Criteria for determining the qualification of operational
32 functions for supplementary weighting shall be determined by
33 the department by rule, through consideration of increased
34 student opportunities.

35 e. Supplementary weighting pursuant to [this subsection](#) shall

1 be available to an area education agency during the period
2 commencing with the budget year beginning July 1, 2014, through
3 the budget year beginning July 1, ~~2024~~ 2034. The minimum
4 amount of additional funding for which an area education
5 agency shall be eligible in a budget year is thirty thousand
6 dollars, and the maximum amount of additional funding for which
7 an area education agency shall be eligible is two hundred
8 thousand dollars. The department of management shall annually
9 set a weighting for each area education agency to generate
10 the approved operational sharing expense using the area
11 education agency's special education cost per pupil amount and
12 foundation level. Criteria for determining the qualification
13 of operational functions for supplementary weighting shall be
14 determined by the department by rule, through consideration of
15 increased student opportunities.

16 *f.* ~~This subsection~~ is repealed effective July 1, ~~2025~~ 2035.

17 Sec. 16. Section 257.46, subsection 3, Code 2023, is amended
18 to read as follows:

19 3. If any portion of the gifted and talented program budget
20 remains unexpended at the end of the budget year, the remainder
21 shall be carried over to the subsequent budget year and added
22 to the gifted and talented program budget for that year. At
23 the end of a fiscal year beginning on or after July 1, 2022,
24 the school district may use all or a portion of funds for the
25 purposes authorized under subsection 9, paragraph "d".

26 Sec. 17. Section 284.15, subsection 7, Code 2023, is amended
27 to read as follows:

28 7. The department shall establish criteria and a process
29 for application and approval of the framework established
30 under ~~subsection 1~~, and for comparable systems that meet the
31 requirements of ~~section 284.16 or 284.17~~, which a school
32 district may implement pursuant to ~~subsection 6 in order to~~
33 ~~receive teacher leadership supplement foundation aid calculated~~
34 ~~under section 257.10, subsection 12.~~

35 Sec. 18. EFFECTIVE DATE. This division of this Act, being

1 deemed of immediate importance, takes effect upon enactment.>
2 _____. Title page, line 3, after <supplements> by inserting
3 <and supplementary weighting>>

AMY SINCLAIR
